

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS**

August 4, 2014 – 3:00 PM

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Jim Sides, Chairman

Craig Pierce, Vice-Chairman

Jon Barber, Member

Mike Caskey, Member

Chad Mitchell, Member (Arrived at 3:25 p.m.)

County Manager Gary Page, Clerk to the Board Carolyn Barger, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Sides convened the meeting at 3:00 p.m.

Commissioner Barber provided the Invocation and also led the Pledge of Allegiance.

CONSIDER ADDITIONS TO THE AGENDA

- Chairman Sides moved to add a Proclamation for Rowan County Help Fair Day to the Consent Agenda as item D. The motion was seconded by Commissioner Pierce and passed unanimously (4-0).
- Commissioner Pierce moved that item #4 (Presentation by Tsunami Development Literacy Program) be moved up in the order of discussion to avoid the presenters from having to sit through the public hearing (item #3, Public Hearing for West End Plaza Financing Proposal). The motion was seconded by Chairman Sides and passed unanimously (4-0).

Chairman Sides moved the issue to agenda item #2b in the order of discussion.

- Chairman Sides requested to move Consent Agenda item B to the regular agenda for a separate vote.

The issue was moved to agenda item #2a.

- Chairman Sides moved that Closed Session be changed from item #10 on the agenda to item #2c in the order of discussion. Chairman Sides explained that this would enable the employees involved in the Closed Session to leave earlier as opposed to sitting through the public hearing (West End Plaza Financing Proposal). Chairman Sides also stated the Board would move to another room so those in the audience could remain in their seats. The motion was seconded by Commissioner Pierce and passed unanimously (4-0).

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the agenda passed unanimously (4-0).

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Pierce seconded and the vote to approve the minutes of the July 7, 2014 Commission Meeting passed unanimously (4-0).

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Barber moved approval of the Consent Agenda (as amended). The motion was seconded by Commissioner Pierce and passed unanimously (4-0).

The Consent Agenda consisted of the following:

- A. Declare Pre-2004 Involuntary Commitment Fees as Insolvent
- B. Purchase 24 Vehicles for Sheriff's Office (moved to item #2b on the agenda)
- C. Utility Construction for Gildan Yarns Waterline Project

2. PUBLIC COMMENT PERIOD

Chairman Sides opened the Public Comment Period to entertain comments from any citizens wishing to address the Board. The following individuals came forward:

- Phyllis Sides thanked the Board for its work and spoke in support of the West End Plaza financing proposal.
- Rick Johnson spoke in support of the West End Plaza financing proposal and moving forward with a new Veteran Services Office (VSO). Mr. Johnson provided the Board with a handout regarding the projected separations for active duty service members and the need for additional VSO space.
- Kathy McCubbins spoke in support of the West End Plaza financing proposal.

- Sharon Mendoza spoke in support of the West End Plaza financing proposal.
- Larry Wright spoke in support of the West End Plaza financing proposal. Mr. Wright also discussed the termination of the former Salisbury City Manager and Salisbury's Public Information Officer, as well as the changes he felt were needed within Salisbury City Council.
- Luke Hamaty spoke in opposition to the West End Plaza financing proposal.

At this point in the meeting, Chairman Sides reminded those that were signed up to speak for Public Comment Period that it was not the actual public hearing for the West End Plaza financing proposal. Chairman Sides said the same rules applied for Public Comment Period as for the public hearing. Chairman Sides said he had noticed there were fans in the audience and they could not be held up as signs.

- Louis Bodak felt the four board members who voted to purchase the Salisbury Mall should have used their own funds. Mr. Bodak spoke in opposition to the West End Plaza financing proposal.
- Joe Coladarci spoke regarding a July 29, 2014 response letter from the LGC that stated the LGC's position concerning the West End Plaza financing proposal. Mr. Coladarci understood from the letter that there were misconceptions, including that 2 of the 3 current County Commissioners had chosen not to seek for re-election.
- Heather Teeter spoke in opposition to the West End Plaza financing proposal and suggested several other uses for the Plaza.
- Michael Martelli spoke in opposition to the West End Plaza financing proposal and discussed what he felt were inconsistencies by the Board.
- Patty Bishop spoke in support of continued improvements and positive changes for the Animal Shelter.
- James Kirks discussed the Code of Ethics adopted by the Board in 2007 and provided the Clerk with a copy. Mr. Kirks encouraged the Board members to be respectful even when they disagreed with others opinions.
- Tom Speaks thanked the Board for being responsible and spending down the fund balance, as opposed to raising taxes during the recession. Mr. Speaks encouraged the Board to pursue extending a water line down the I-85 corridor to increase economic development in the County. Mr. Speaks spoke in support of the West End Plaza financing proposal and against what he described as false information being passed around on the project.
- Larry Jones spoke in support of the West End Plaza financing proposal. Mr. Jones also spoke in favor of other items on the agenda, which included improvements at the Animal Shelter and space for the Board of Elections. Mr. Jones said the future Board would be hindered by higher interest rates if the application was not approved.

- Joanne Stewart discussed the timing of the meeting and said she felt all meetings of the Commission should be held in the evenings at 6:00 p.m. Ms. Stewart expressed hope the new Board would address who sits at the press table. Ms. Stewart also thanked Commissioner Barber for the way he began the meeting with the option for a moment of silence and said she did not understand why there had been such an uproar (the American Civil Liberties Union lawsuit/beginning meetings with prayer) to begin with. Ms. Stewart talked about the treasury of La Resistance and its contributors.
- Jim Greene asked the Board to postpone the loan application until a new Board was elected and seated. Mr. Greene offered up examples of other county property that could be used for office space.
- Gene Miller questioned the purpose of the public hearing and said the citizens had spoken and asked the Board not to spend more money on the Mall. Mr. Miller spoke in opposition to the West End Plaza financing proposal and said the purchase might be a good deal if the 320,000 square feet were needed.

With no one else wishing to address the Board, Chairman Sides closed the Public Comment Period.

2a. PURCHASE OF 24 VEHICLES FOR SHERIFF'S OFFICE

(This item was initially listed as item B on the Consent Agenda and was moved to agenda item #2a in the order of discussion).

Chairman Sides said he had removed the item from the Consent Agenda so that it could be voted upon separately.

Commissioner Pierce moved to approve the purchase of 24 vehicles for the Sheriff's Office. The motion was seconded by Commissioner Barber and passed unanimously (4-0).

2b. PRESENTATION BY TSUNAMI DEVELOPMENT LITERACY PROGRAM

(This item was initially listed as item #4 on the agenda and was moved to agenda item #2b in the order of discussion).

Chris Sifford discussed the literacy problem in Rowan County and tied some of the issues taking place in the streets as coming from folks who could not read. Mr. Sifford said he taught high school English for about seven (7) years and he felt the proposed Tsunami Development Literacy Program (Program) provided a viable solution to the problems taking place. Mr. Sifford envisioned the potential success of the Program that could take place in the West End Plaza (Plaza). Mr. Sifford highlighted his background, including information regarding two (2) programs he had started, the North Rowan Connection, which has been implemented for approximately seven (7) years, and The Chamber. Mr. Sifford

said he was an advocate for children and wanted to share what he would like to see happen at the Plaza.

Anthony Smith said the inability to read was a silent but serious issue that impacted the entire community. According to Mr. Smith, poor reading skills entrap communities in vicious cycles of poverty, crime, and social disadvantages. Mr. Smith stated that six percent of adults in the US prison system were functionally illiterate. Mr. Smith thought it appropriate to hold those in political power accountable for the distribution of resources in addressing issues such as this in the community. Mr. Smith felt collaboration was a necessity. Mr. Smith said a symphony of stakeholders of the traditional political and business institutions embedded in community groups such as The Chamber hold the key to transformation. Mr. Smith said the proposal was a step of good faith on the part of local citizens to extend the hand of collaboration to county government to assist in the transformation.

Before discussing the Program, Kenny Hardin mentioned there had been private investigators outside of his house last week. Mr. Hardin addressed the Public Comment Period where he had listened to everyone speak and said he had lived on the west end for about forty (40) years. Mr. Hardin said he understood the business concern for downtown Salisbury (City) and he understood the finances. Mr. Hardin said he did not want people to lose sight that there were people involved and spoke about how frustrated he was with the response of the City for the west end. Mr. Hardin applauded the Commissioners for the steps being taken with the Plaza to which he fully supported.

Mr. Hardin provided some insight into the proposed Program and mentioned the two-hundred and three (203) members of The Chamber they represented. Mr. Hardin said the group was committed to literacy and to advocacy. Mr. Hardin explained the name, Tsunami Development (TD), as offering a visual indication of the intention of being a powerful, natural force partnering to affect positive change, growth, education and personal development. As a not for profit group, Mr. Hardin said the mission was to serve as an advocacy presence that embraced the overall educational, social, and cultural wellbeing of the community. Mr. Hardin said the mission would be accomplished through leveraging the strength and resources within the community to establish a sustained culture of growth and progress. In turn, Mr. Hardin said this would result in every underprivileged person feeling empowered to engage in actions to increase personal ownership and pride. Mr. Hardin said these attributes would greatly improve the wellbeing of the community and the direction of their individual lives. Mr. Hardin discussed how the long term commitment to improving and sustaining the culture of the community would be accomplished through aligning the mission, vision, and two (2) point strategic plan with the expectation for those who would be impacted and involved in the success of the Program.

Mr. Hardin shared the vision to give everybody a voice, a choice, and an opportunity to grow and enhance their inherent abilities. One of the two (2) strategic points to work under would be advocacy by targeting third through fifth graders. Mr. Hardin said statistics had shown that one (1) in four (4) children in America grew up without learning how to read. Two-thirds of students who could not read proficiently by the end of the fourth grade, according to Mr. Hardin, would end up in jail or on welfare and were four (4) times more likely to drop out of school. Mr. Hardin stated that over seventy (70) percent of inmates could not read at or above a fourth grade level. Mr. Hardin went on to say that youth whose parents were functionally illiterate were twice as likely to be functionally illiterate as well. Mr. Hardin pointed out that persons with limited literacy skills have poorer health status than the rest of the population. Mr. Hardin stated that a young adult who was functionally illiterate could not complete a job application, review homework, or read simple instructions.

Mr. Hardin said the second strategic point would be to house an expanded night crawlers program. Mr. Hardin explained that the night crawlers program was a non-political, non-sectarian prayer and street ministry advocacy program. Mr. Hardin said all were welcome to come out in the community on Friday nights at 10:00 p.m. Mr. Hardin said the goal was to go out each Friday night into the heart of where violence occurs. By request, Mr. Hardin said motivational and inspirational talks with youth could take place. Mr. Hardin explained that this was another advocacy program to empower the community. Mr. Hardin talked about a recent meeting at the Miller Recreational Center, where over 200 citizens came and a survey was taken. According to Mr. Hardin, the survey results showed that people were afraid. Mr. Hardin said a follow-up meeting was planned for August 11, 2014 where the results of the survey would be shared and action plans created and to also meet with the Sheriff and Police Chief to come up with some interventions.

Mr. Hardin stated the partnership proposal was to request that the County Commissioners grant access to space to operate a literacy program using the vehicle of an after school program in the West End Plaza.

Commissioner Pierce inquired as to whether a specific space had been identified. Mr. Hardin said the space noted as a good site was C3, which used to house a sporting goods or shoe athletic store across from Books-A-Million. Mr. Hardin said Tsunami Development was also looking at putting in computers, as there were a lot of children who did not have a computer and were given homework assignments that required internet access.

Commissioner Pierce asked if the group was agreeable to paying the cost of the utilities, with Mr. Hardin responding in the affirmative.

Mr. Hardin confirmed to Commissioner Pierce that Tsunami Development was asking the Board to make space available for the program.

Commissioner Pierce followed up by asking how soon the Tsunami Development would like to locate in the Plaza and Mr. Hardin responded by saying as soon as possible.

Commissioner Pierce moved to accept the proposal from Tsunami Development and offer them adequate space for their literacy program. Commissioner Barber seconded the motion.

Chairman Sides said the literacy issue was worthy of making space available; however, there were concerns and questions that had not been answered. Chairman Sides asked about the type of business plan the group had. Chairman Sides noted when the space was purchased, the Commissioners had committed to use a minimum of twenty (20) percent of the space for ventures not related to the County, for non-profits and things that would benefit the County as a whole. Chairman Sides said the County needed to hear about the business plan, the proposed budget and whether the upfitting costs would be paid for. Chairman Sides said he did not want to see the County get into something where \$300,000 worth of up fitting would be asked for that had not been identified ahead of time. Chairman Sides said he was one-hundred percent in favor of the proposal and in support of making space available, but was not prepared to do so without having other issues resolved.

Mr. Hardin said the information Commissioner Sides was asking for was available and he would provide the information.

Chairman Sides said he did not want to see the effort delayed so if the information were to be made available at the next meeting, Chairman Sides said he would be prepared to vote in favor of the motion.

Commissioner Mitchell said if the BOC were to support this, the County Manager and County Attorney would need to develop a contract that had to come back before the BOC for approval so Commissioner Mitchell saw this as a vote of the concept to move forward.

Chairman Sides said if the BOC were voting on the concept, he was one hundred percent in favor.

Commissioner Pierce amended his motion to reflect the fact that the vote was for the concept of Tsunami Development and the challenges faced and to direct the County Manager and the County Attorney to work together to develop a contract at no charge for the space. Commissioner Pierce also asked for clarification that Tsunami Development was a 501c3 with Mr. Hardin responding in the affirmative. Chairman Sides seconded and the amendment passed unanimously (5-0).

Commissioner Caskey asked if the space in question, C-3, had adequate space for future expansion. Mr. Hardin responded that Tsunami Development was not looking for future expansion and was comfortable with the space.

Upon being put to a vote, the motion on the floor passed unanimously.

2c. CLOSED SESSION

(This item was initially listed as item #10 on the agenda and was moved to agenda item #2c in the order of discussion).

Commissioner Pierce moved at 4:10 p.m. for the Board to enter Closed Session in accordance with North Carolina General Statute § 143-318.11(a)(1) to consider approval of the July 7, 2014 Closed Session minutes and North Carolina General Statute § 143-318.11(a)(6) for personnel matters. The motion was seconded by Commissioner Barber and passed unanimously (5-0).

The Board moved to conference room #101 to conduct the Closed Session.

The Board returned to Open Session at 5:25 p.m.

Commissioner Mitchell moved to acknowledge that Mac Butner had indicated that he has no intention of reapplying to the Rowan County Housing Authority and that he does not have any intention of attending the August meeting. Commissioner Mitchell said an internal investigation of Rowan County Housing Authority Staff indicated that none of Mr. Butner's decisions through the Housing Authority had any discrimination attached to them, nor since he did not have any activity in individual accounts could they have any discrimination. Commissioner Mitchell said there was no external investigation and the only investigation was performed by Rowan County. Commissioner Sides seconded and the motion passed unanimously.

3. PUBLIC HEARING FOR WEST END PLAZA FINANCING PROPOSAL

Chairman Sides stated the Board would now conduct a public hearing to receive citizen input regarding the installment financing of the West End Plaza in an amount not to exceed \$3,950,000 million. Chairman Sides said each person who had signed up would be allowed three (3) minutes to speak. The rules of decorum would be no signs, no clapping and no open comment from the audience while the hearing was in progress.

Before calling the first speaker forward, Chairman Sides announced that the Government Finance Officers Association of the United States and Canada (GFOA) had awarded the Rowan County Finance Department a Certificate of Achievement in Financial Reporting (Certificate) for its comprehensive annual financial report (CAFR). The Certificate is the highest form of recognition in governmental accounting and financial reporting. Chairman Sides said the County had received the award for twelve (12) years and the award did not come

easily. Chairman Sides then read a press release associated with the announcement. Chairman Sides expressed appreciation to Finance Director Leslie Heidrick, as well as the Finance Staff, for their dedication and hard work.

The following individuals were called forward in the order in which they had signed up to speak:

- Jim Hopkins spoke in opposition to the West End Plaza financing proposal.
- Elaine Hewitt provided a handout and spoke in support of the West End Plaza financing proposal.

Chairman Jim reminded everyone that he would conduct the meeting and asked that all be treated with respect.

- Donna Hopkins spoke in opposition to the West End Plaza financing proposal.
- Larry Wright spoke in support of the West End Plaza financing proposal.
- Joe Coladarci spoke in support of the West End Plaza financing proposal.
- Louis Bodak spoke in opposition to the West End Plaza financing proposal.
- Mike Martelli spoke in opposition to the West End Plaza financing proposal.
- Julian Torrey spoke in opposition to the West End Plaza financing proposal.
- Tom Speaks spoke in support of the West End Plaza financing proposal.
- Jim Greene spoke in opposition to the West End Plaza financing proposal.
- John Leatherman provided the Clerk to the Board with a petition of over 200 signatures in support of the West End Plaza financing proposal and he also spoke in support of the proposal.
- Judy Klusman spoke in opposition to the West End Plaza financing proposal.
- Chris Cohen spoke in support of the West End Plaza financing proposal.
- David Shelby spoke in opposition to the West End Plaza financing proposal.
- John Blair spoke in opposition to the West End Plaza financing proposal.
- Tom Harrell spoke in support of the West End Plaza financing proposal.
- Beth Blair spoke in opposition to the West End Plaza financing proposal.
- Gene Miller spoke in opposition to the West End Plaza financing proposal.
- Joann Stewart spoke in opposition to the West End Plaza financing proposal.
- Bill Cameron spoke in opposition to the West End Plaza financing proposal.
- Kent Smith spoke in opposition to the West End Plaza financing proposal. Mr. Smith provided the Clerk to the Board with a handout that detailed the

guidelines on debt issuance by the State of North Carolina Department of State Treasurer.

With no one else wishing to address the Board, Chairman Sides closed the public hearing and opened the floor for discussion by the Board.

Commissioner Barber thanked the citizens for their attendance and comments. Commissioner Barber said it would be a year ago next month the Board began discussions in Closed Session regarding the former Salisbury Mall (Mall) purchase. Commissioner Barber said the Local Government Commission (LGC) would consider the application tomorrow (August 5, 2014).

Commissioner Mitchell referenced the recent letter from LGC Staff (dated July 29, 2014 and signed by Vance Holloman), which described Rowan County in the first paragraph as being fiscally sound. Commissioner Mitchell said the letter went on to indicate that even with Rowan County being fiscally sound, when a project had public opinion against it, the LGC felt incumbent not to recommend the project.

Commissioner Mitchell formally asked the County Manager to send a public records request to Mr. Holloman for every application the LGC Staff had recommended against based on public opinion over the last five (5) years.

Commissioner Mitchell said Mr. Holloman also indicated with Rowan County's application that it was typically in good stead because it was backed up by real property. The tax value on the property was \$10 million and it was appealed down to \$6 million, which the County's Tax Administrator agreed with. Commissioner Mitchell said the County had purchased the Mall with a value of \$6 million, as of the last appraisal.

Commissioner Mitchell said he also wanted a public records request submitted to Mr. Holloman for every application that LGC Staff recommended against when the purchase was backed by real property that was valued at more than the loan amount.

Commissioner Mitchell said there were varying opinions regarding the Mall purchase itself. Commissioner Mitchell said a reimbursement resolution was a common practice by local governments and was not "trickery" or "politics" but rather a practice of moving ahead with a project and replenishing the funds later.

Commissioner Mitchell offered the following example as to how bad a process could get when regularly accepted practices, such as reimbursement resolutions, were not supported. Commissioner Mitchell said the County had an agreement with the Rowan-Salisbury School System (RSSS) for \$40 million. The County has agreed to borrow \$40 million for RSSS, which would have to go through the same LGC process with a public hearing. Commissioner Mitchell said after the

Board of Education (BOE) made its presentation to the Commissioners, the Commissioners would decide when to forward the application to the LGC. Commissioner Mitchell said the RSSS has already expended funds towards building a central office and had done the exact same thing the Commissioners were being complained upon for. Commissioner Mitchell said the Commissioners had told the BOE to use monies from their fund balance to start the project.

Commissioner Mitchell described the RSSS central office as a good project and a win for downtown Salisbury, a win for the County and everyone else. Commissioner Mitchell said the possibility now exists for 75 to 150 people to come in and say, "No, we don't want that project downtown" after \$2 million to \$3 million had already been spent on it. The possibility now exists for the LGC to respond based on public opinion that it will not approve the loan. Commissioner Mitchell said the building would "go up in smoke based on the exact same principles as what is going on right here".

Commissioner Mitchell asked the public to think about and look at the focus on the current project. Commissioner Mitchell said if you are focusing your dislike of the mall based on a reimbursement resolution, you have gone down the wrong path.

Commissioner Mitchell said the majority of the Commissioners did not want a "downtown exodus". Commissioner Mitchell said a successful downtown was good for the County. Commissioner Mitchell said the project could allow the County to move the Board of Elections (4 employees) to more space, as requested by the State. Commissioner Mitchell said he had received more complaints than even the Mall purchase concerning how little room the County has at the courthouse. Commissioner Mitchell said, "It is a horrible situation over there. There is no room. There is no room to expand. Defense attorneys have little places to go with their clients. The prosecution has to work around space needs and judges offices have had to be put in odd places. Commissioner Mitchell noted how someone had escaped from the Magistrate's Office. Commissioner Mitchell said secure space was needed at the Magistrate's Office for the safety of all. Commissioner Mitchell said if some of the Sheriff's Staff could be relocated (and still be in the city limits), it would free up much of the needed space. Commissioner Mitchell said space was needed in the Clerk of Court's Office, as well, and he described how citizens who have lost their parents have to sit in the "open" trying to settle their estates when people are walking by and can overhear. Commissioner Mitchell said \$50 per square foot for renovated offices and \$10 per square foot for the purchase was the cheapest way to provide the needed space.

Commissioner Mitchell said he personally did not want a downtown exodus but rather to help the courthouse. Commissioner Mitchell said he did not want to move the courthouse but rather free up space inside so that it could serve its

proper functions. Commissioner Mitchell said space needs had been neglected for many years because the County did not have the funds to address those needs. Commissioner Mitchell said the Mall purchase was not a bad idea and he apologized for the concept being poorly communicated. Commissioner Mitchell said the County now owned the West End Plaza and the County would be in a better financial position if the LGC would approve the application and provide the new Board with better financial footing.

Commissioner Caskey said with the implications on the ruling from the LGC, he was worried about Board of Education (BOE) candidates writing letters saying they did not know about moving forward with new central office downtown. Commissioner Caskey said the County's agreement said the BOE could change their mind but the County could not. Commissioner Caskey talked about the tremendous difference in the proposed bids for the Veteran Services Office and the potential cost per square foot as opposed to the cost per square foot for the central office. Commissioner Caskey said he was not looking for a lot of departments to move from downtown to the Plaza but he did feel the Department of Social Services (DSS) and the Health Department needed to move there. Commissioner Caskey discussed the needed space for county departments, etc. and the savings that would be incurred by moving into an existing building. Commissioner Caskey also mentioned the needs for the Sheriff's Department. Commissioner Caskey said the space at the West End Plaza would fill up quickly.

Commissioner Caskey said he understood not buying the mall was a legitimate position to have and he held no ill will against those who had voiced their opposition to the purchase. Commissioner Caskey said if he was going to look at an investment opportunity and had guaranteed income for the County for around ten (10) years, it would create better leverage to sell the property. Commissioner Caskey said he appreciated everyone coming out and talking about their concerns but he disagreed with where they were on the issue. Commissioner Caskey said he would vote to send the application to the LGC and hoped they would reimburse the County. Commissioner Caskey said reimbursement by the LGC for the mall purchase would make the job easier for the commissioners elect. If it were to be sold, Commissioner Caskey said it would take time to be reimbursed through the selling process. The approval would also give a better interest rate for the future school projects.

Commissioner Pierce said he was glad the hearings were over so that he would not have to listen to more misinformation. Commissioner Pierce said he had been quoted as telling everyone to go home and talk with their wives, and that was not what he said. Commissioner Pierce clarified what he said was that if one was going to give misinformation to the public and fabricate points, then they should stay home and talk to their wife. Commissioner Pierce said he had talked with the County Manager at length as to what was envisioned for the Plaza. Commissioner Pierce said the parking at the Plaza would make access to

departments easier and eliminate waiting in line at DSS and the Health Department to enter. Commissioner Pierce talked about moving the Sheriff's Office into the DSS and Health Department (once moved to the Plaza) to free up space downtown for the court system. Commissioner Pierce said the County did not want to tie up all of the spaces at the Plaza as there would be no room for projects such as Tsunami Development. Commissioner Pierce said that until the plans were identified for the Plaza, the County would not be able to say exactly what was to be done. Commissioner Pierce felt people should listen to the long term plans and how to address those needs instead of wanting an immediate plan. Commissioner Pierce said he appreciated everyone coming out and he had listened to what was said.

Chairman Sides said there had been a lot of discussion with people quoting facts and figures and talking about the fund balance. Chairman Sides stated that if the County had kept millions in the bank and raised taxes, people would have been up in arms. Chairman Sides then went on to say people were up in arms over spending some of the fund balance. Chairman Sides said the decisions the Board made were not as easy as some people thought. According to Chairman Sides, what concerned him the most was people discussing the fund balance. Chairman Sides remembered when Dr. Miller, Chairman of the BOE questioned the County's fund balance and then tried to tell everyone the County had a large fund balance. Chairman Sides said there were two (2) different areas of the budget, one being the fund balance that was unallocated and could be used for anything. The other area of fund balance was money for preapproved projects and money that had been set aside for the projects waiting to be spent. Chairman Sides said in talking about the fund balance, one needed to understand what was being talked about. Chairman Sides stated that the fund balance was in the neighborhood of nine and a half (9.5) to ten (10) percent, or \$14 million to \$15 million. Chairman Sides said it takes around \$11 million to run the County, so there was less than a month and a half of reserves. Chairman Sides explained the process for purchasing the mall was not the normal process and the County did not have the time to seek public opinion. Chairman Sides said the Commissioners were elected to make decisions and the County had an opportunity that had presented itself. Chairman Side said there was not a lot of time to move and a decision had to be made, thus the need for the budget resolution.

Chairman Sides said he was going to admit to a different mistake in that the BOC should have borrowed the money when the mall was first purchased. Chairman Sides said that the County tried to make financial transactions that cost the County less money and at that particular time, the County thought that the \$6.5 million project with the schools was moving forward. Chairman Sides said the County had wanted to submit one loan application for both projects with only a one time loan application cost.

Chairman Sides went on to speak about receiving a letter earlier in the day from the Grand Jury discussing space and air conditioning problems at the court house. Chairman Sides spoke on needs in the County and the master plan that was completed in 2007, saying space needs were identified with some being completed and some being pushed back. Chairman Sides said a new capital improvements plan was being completed, but it took time to put it together. Chairman Sides said at the time, the planning was done for the next five (5) or six (6) years. According to Chairman Sides, the economy caused some of the plans to be delayed and now they had surfaced again and were needed. Chairman Sides talked about the Board of Elections (BOE) needing space for the past twenty (20) years and how the County had put them off. Whether the LGC approved the loan application or not, Chairman Sides said it was the County's intent for the BOE to be in the West End Plaza prior to the new Board of Commissioners being seated. Chairman Sides said that was not a spite move and he was proud to associate the move and progress with his fellow board members.

Chairman Sides said when he leaves office in December he would leave with his integrity and not having made a deal with anyone. Chairman Sides said he would do his job until the last day he was in office. Chairman Sides said there was a lot of misinformation, yet no one came to talk with him one on one about their concerns. Chairman Sides said he had to respond publicly to the people who blasted him.

Chairman Sides said the West End Plaza purchase was a big issue, but not as big an issue as the public had made it. Fifteen (15) years from now, according to Chairman Sides, when the mall had been built out in accordance with the capital improvement plan, Rowan County would be in one of the best positions in the State, as far as the amount of debt. Chairman Sides explained how local governments had to often borrow money to pay the savings (general fund) back. Chairman Sides said it was reckless and irresponsible to allow the County to have a fund balance at a point where a letter would be received from Raleigh, or the County would be downgraded by Moody's. Chairman Sides said he felt there were people who wanted the County to be in the same shape as the City of Salisbury, but the County had been very responsible with tax money. Chairman Sides explained how the implications of decisions would affect taxpayers in the future and said he was proud of the tax rate that Rowan County had. Chairman Sides said that in ten (10) years there had not been a tax increase but now was the time, as the County could not weather the storm any longer. According to Chairman Sides, everyone had thought the economy was going to get better and sales tax revenues would pick up. Chairman Sides discussed the two (2) pots of money as sales tax and property tax, and how in 2007, they both "went south". Chairman Sides described how the County had maintained services by making cuts, reorganizing and letting people go. Chairman Sides said he loved this County and he had never made a decision where he did not think it was the best for the entire County. Chairman Sides said he had never voted for anything to

get a vote, but voted for it because he thought it was right. Chairman Sides said there had been a lot of misinformation and if anyone wanted to know something about the fund balance they needed to talk with someone who knew something about it. Chairman Sides said facts needed to be correct and that was one thing he had tried to do.

Commissioner Pierce moved to proceed with the LGC application. Commissioner Caskey seconded and the vote passed 4-1 with Commissioner Barber dissenting.

4. PRESENTATION BY TSUNAMI DEVELOPMENT LITERACY PROGRAM

This item moved to agenda item #2b in the order of discussion.

5. CONSIDER PROPOSAL FOR ANIMAL SHELTER ADDITION

County Manager Gary Page submitted a memorandum for the agenda packet highlighting the following information on the proposed Animal Shelter addition. Ms. Christine Morykwas' proposal was to build a 2,358 square foot addition to focus primarily on the care of cats, with an estimated cost of \$500,000. The estimated cost included architectural fees, construction, new cages, appliances, and furnishings. The proposed addition would be located next to the current facility on Julian Road, with a connecting foyer, reception desk, cat rooms, isolation areas, medical intake space, laundry room, staff areas, meeting room, maintenance room, and storage room.

Ms. Morykwas was advised there would be expectations from both parties, which would need to be identified in an operating agreement. Ms. Morykwas would expect the County to adopt written protocols for medical treatment, cleaning, and the new spay and neuter program with a licensed veterinarian. In addition, the County would be required to adequately staff the new addition, properly maintain the facility, carry the proper insurance coverage on the addition and contents, and operate solely as a part of the Animal Control Program for twenty (20) years. Ms. Morykwas would reserve the right to periodically inspect the facility to ensure compliance with the operational agreement.

The County could expect new operating costs for two (2) new staff, medical expenses with the veterinarian contract, utility expenses, insurance, cleaning supplies, and general maintenance. Ms. Morykwas stressed the need for additional part-time help with cleaning and presenting the animals to the public. Some of the need for part-time employees could be met by expanding the volunteer program with the public and veterans.

Commissioner Pierce expanded on the details of the memorandum by explaining that he, Animal Control Director Clai Martin, Barbara Hart and County Manager Gary Page had met with Ms. Morykwas to go over all of the proposed details. Commissioner Pierce thanked Barbara Hart and said she had been very

instrumental in bringing in Ms. Morykwas to assist with the issues at the Animal Shelter.

Commissioner Pierce said the facility would be so state of the art that there were separate heating and air conditioning units for the different compartments to avoid cross contamination from airborne viruses. Commissioner Pierce commended Ms. Morykwas for her offer and noted it would require the writing of maintenance requirements so the facility would end up being what the County needed. Commissioner Pierce noted with this addition, the other side of the shelter would be freed up with more room for dogs and a better facility to eliminate cross contamination. Commissioner Pierce noted that with the addition of part time staff, the hours for adoption could possibly be extended.

Dr. Greg Lowe, Veterinarian from Rowan Animal Clinic, said he grew up in Rowan County and had the ability and the resources to help address the problems at the Animal Shelter. Dr. Lowe said his intent was to monitor treatments to provide a high standard of care at a lower cost. Dr. Lowe said it would be his responsibility to make decisions regarding the protocols and his intentions were also to help remain current with industry standards.

Dr. Lowe discussed the spay/neuter clinic and breaking the circle of reproduction. Dr. Lowe said he wanted to streamline the process so that it would not be a government responsibility anymore, but rather a responsibility of the citizens of the County who wanted to adopt the animals. Dr. Lowe said the fees should pay for the things that needed to be done. Dr. Lowe said in designing the clinic the correct way, it would not be a financial burden on the County. Dr. Lowe said he wanted to institute clear and specific bookkeeping, a better means of tracking animals and treating pets, at low costs to the County. Dr. Lowe said he would have more specific information and details for a contract to present to the Board at the next meeting.

In response to an inquiry from Commissioner Mitchell, Dr. Lowe said the Clinic would house more than just cats and dogs.

Commissioner Mitchell asked if the County would mimic the same sanitation issues and update everything for dogs. Commissioner Pierce responded that if the County handled the feline side as well as anticipated, Ms. Morykwas had implied she would consider the same conditions for dogs.

Commissioner Pierce discussed the difficulties in trying to retro fit the older side in the way the new facility was to be constructed. Commissioner Pierce said that the biggest issue of cross contamination would be controlled by having the canines on one end and felines on the other.

Commissioner Pierce said this was a specialized facility and Ms. Morykwas was offering to hand the County a state of the art facility for cats. Commissioner

Pierce stated that he liked the idea that Ms. Morykwas was going to take charge of having the building constructed without the County having to go through the bid process or loan process. The County would only need to give Ms. Morykwas the okay to start.

Commissioner Pierce moved to accept the donation and instruct the County Manager and County Attorney to draft the contract to the affect of the memo in the packet and make sure all that Ms. Morykwas wanted was included and also, to incorporate the terms of the contract with Dr. Lowe taking care of the spay/neuter and care of the animals.

Commissioner Pierce also included the recommendation that the County's budget numbers not be changed for this current year. Commissioner Pierce said he would like to challenge Mr. Martin to figure a way to have some dollars to incorporate part-time help. Commissioner Pierce pointed out that Chairman Sides had great ideas about utilizing volunteers for part of this as possible paid part-time County employees.

Commissioner Mitchell inquired as to whether the contract would be back on the 18th and if there would be a projected cost for the new employees. Commissioner Pierce responded by saying Mr. Martin would need to be asked if his current budget could be spread out to cover the expenses. According to Commissioner Pierce, the individuals who work at the shelter on the feline side could not go over to the canine side, and vice versa, in order to prevent cross contamination.

Chairman Sides said it was unreal that someone wanted to give away a half million dollars, and he wanted to accept the gift. However; Chairman Sides said he wanted to look at paying the volunteers as part-time employees versus the cost of paying new full time employees over the span of the twenty (20) years. Chairman Sides said he wanted to also look at the costs of the current voucher system for spaying and neutering and using some of the unspent funds. Chairman Sides said he would like to see the County work within the existing budget, and be able to work the program out by using paid volunteers and having control over them being there when needed.

Chairman Sides apologized to Dr. Lowe for not returning his call and he voiced his appreciation to Dr. Lowe for making himself available to provide a necessary service to Rowan County. Chairman Sides said the problem would not be eliminated, but with Dr. Lowe's efforts there would be more facility than what was needed in time.

Commissioner Barber seconded the motion.

Commissioner Barber said there were a lot of people that needed to be thanked. Commissioner Barber also thanked Ms. Morykwas for her offer and said the

County needed to get on with this. Commissioner Barber stated that he thought in the next two (2) weeks an agreement could be drafted and a way could be found to satisfy the budget issues.

County Attorney Jay Dees said he knew everyone was excited and was ready to move quickly. Mr. Dees said he had heard a lot of questions but not a lot of substance. Mr. Dees said he would beg indulgence if the information could not be gotten into the form of an agreement by Friday's agenda deadline. Mr. Dees said it could be several meetings but the process would be moved as quickly as possible.

Chairman Sides said he felt contact could be made with Ms. Morykwas to let her know the County was definitely in favor of the proposal and that the BOC was moving forward as quickly as possible. Chairman Sides said he thought the agreement could be completed by the first meeting in September.

Commissioner Pierce said he would like to move quickly because Ms. Morykwas was ready to go. Commissioner Pierce said he would appreciate all of the expeditious moves Mr. Dees could make to complete this task. Commissioner Pierce said he wanted Ms. Morykwas to understand the County's enthusiasm behind this project. Commissioner Pierce said he also agreed with Chairman Sides to make certain the County could perform on the business model with the current budget so that it did not become an issue of funding. With Dr. Lowe's help and reasonable costs on spaying and neutering, Commissioner Pierce said the business model would come together to be an asset to the County.

Upon being put to a vote, the motion on the floor passed unanimously (5-0).

6. CONSIDERATION FOR AWARD OF BIDS ON THE ROWAN COUNTY BOARD OF ELECTIONS RENOVATIONS AT THE WEST END PLAZA

County Manager Gary Page reported that bids to renovate the Rowan County Board of Elections office space at the West End Plaza were received on July 31, 2014. Mr. Page said Architect Burl Brady had tabulated the bids, which were forwarded to the Board this past Friday, August 1, 2014.

Mr. Page recommended the Board award the bid to the lowest bidder, LaFave's Construction, in the amount of \$344,644. Mr. Page noted that an additional \$12,000 allowance would need to be added for automatic doors for ADA access, and another \$5,600 asking for a performance bond to be put into the bid. Upon notice to the contractor, contingent on the contract getting the performance bond and the County signing the contract, work on renovations would begin with completion expected in December 2014.

Commissioner Mitchell moved approval of the low bidder with the contingency of the performance bond. Commissioner Pierce seconded the motion.

Commissioner Pierce said he would like to clarify in the \$344,644 a new HVAC system was included for the roof of the building. Commissioner Pierce said it showed that one could upfit for a tremendous value as opposed to new construction. Commissioner Pierce noted the purchase price of the West End Plaza included nineteen acres of paved parking. Commissioner Pierce said he wanted to make sure the general public understood the bid included HVAC for that particular section of the West End Plaza.

Mr. Page pointed out the bids came in at less than the projected bid of \$350,000, or about \$35.00 per square foot. Mr. Page said if the figure were added to the purchase price it would bring the cost per square foot to \$45.00. Mr. Page said the projected price for the Veteran Services Office could cost around \$50 or \$60, which was way below where the County thought it would be.

Commissioner Caskey reiterated that instead of paying \$1.27 million for a new building, it would be \$450,000, including the cost of the building.

Mr. Page said it was noted by the Chairman of the Board of Elections that the Mahaley Avenue site did not meet their needs and was the reason the Board of Elections was moving to the West End Plaza. Mr. Page said it would also now mean there would be 1,200 square feet of space on Mahaley Avenue that could possibly be sold for office space near the hospital.

Chairman Sides pointed out some of the challenges there would have been with the Mahaley Avenue site. Chairman Sides said he was excited the bids came in lower than anticipated and included everything that had been asked for.

Commissioner Barber said he was in support of the project. Commissioner Barber said he had made a commitment to Nancy Evans, Board of Elections Director, and her staff years ago to find additional space. Commissioner Barber went on to state that he was not saying he supported the purchase of the West End Plaza and that he would feel better if the decision were to be made at next month's Commission meeting. Commissioner Barber said the issue had been talked about for years, and it was time to do it.

Upon being put to a vote, the motion on the floor passed unanimously (5-0).

7. CONSIDER APPROVAL OF BUDGET AMENDMENTS

Finance Director Leslie Heidrick presented the following budget amendments for the Board's consideration:

- Finance – Recognize reserved funds from FY 2014 for Emergency Services. To budget revenues and expenditures for Homeland Security grants for projects not completed in the prior year. \$14,503
- Health – The State has awarded the Health Department monies to pay for mandatory Crossroads training - \$4,481

- Sheriff – Recognize federal funds awarded in 2014 JAG and budget to proper expense accounts. \$13,302
- Finance – Adjust E-911 surcharge revenue to revised State funding budget. \$236,656

Commissioner Mitchell moved approval of the budget amendments as presented. The motion was seconded by Commissioner Pierce and passed unanimously (5-0).

8. CONSIDER APPROVAL OF BOARD APPOINTMENTS

NURSING HOME ADVISORY COMMITTEE

There are three (3) vacancies and the following application was received:

- Angelena Spillman for reappointment

The term is for three (3) years beginning August 1, 2014 and expiring July 31, 2017.

Commissioner Pierce nominated Angelena Spillman and the nomination carried unanimously (5-0).

ADULT CARE HOME ADVISORY COMMITTEE

There are nine (9) vacancies and the following application has been received:

- Angelena Spillman for reappointment

The term is for three (3) years beginning August 1, 2014 and expiring July 31, 2017.

Commissioner Mitchell nominated Angelena Spillman and the nomination carried unanimously (5-0).

REGION F AGING ADVISORY COMMITTEE

There is one (1) vacancy for an At Large delegate and the following application has been received:

- Nancy Brandt

The term is for two (2) years beginning August 1, 2014 and expiring June 30, 2016.

- Juanita Woods has submitted an application as an Alternate.

The term is for one (1) year beginning August 1, 2014 and expiring June 30, 2015.

Please Note: Members appointed to the Region F Advisory Committee, both At Large and Alternate, are also members of the Home and Community Care Block

Grant Committee (HCCBG) with terms consistent with their appointment to the Region F Advisory Committee.

Commissioner Pierce nominated Nancy Brandt and the nomination passed unanimously (5-0).

Commissioner Mitchell nominated Juanita Woods as an Alternate and the nomination carried unanimously (5-0).

LANDMARKS COMMISSION

- There is one (1) vacancy and Elizabeth Boyd Cunningham has submitted an application for consideration.

The term is for three (3) years beginning August 1, 2014 and expiring July 31, 2017.

Commissioner Pierce nominated Elizabeth Boyd Cunningham and the nomination carried unanimously (5-0).

9. REPORTS

Commissioner Mitchell moved, Commissioner Pierce seconded and the vote to accept the 2013 Local Emergency Planning Committee Annual Report carried unanimously (5-0).

10. CLOSED SESSION

(This issue was moved to agenda item #2c in the order of discussion).

11. ADJOURNMENT

There being no further business to come before the Board, Commissioner Pierce moved to adjourn at 7:47 pm. The motion was seconded by Commissioner Mitchell and passed unanimously (5-0).

Respectfully Submitted,

Carolyn Barger, CMC, NCCCC
Clerk to the Board/
Assistant to the County Manager